

Message Text

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AMCONGEN RIO DE JANEIRO

C O N F I D E N T I A L BUENOS AIRES 01670

1. SUMMARY: ARGENTINE REACTION IN PUBLIC FORA TO THE US-BRAZILIAN MEMORANDUM HAS BEEN SURPRISINGLY LOW-KEY AND OBJECTIVE. THE PRINCIPAL THRUST OF OBSERVED REACTION SO FAR HAS BEEN ONE OF SELF-CRITICISM. ARGENTINES INTERPRET THE MEMORANDUM AS A RECOGNITION OF BRAZIL'S PREEMINENCE IN LATIN AMERICA, BUT THE CONSENSUS SO FAR SEEMS TO BE THAT IF ARGENTINA HAS LOST THE RACE WITH BRAZIL, IT HAS TO BLAME ONLY ITSELF AND ITS CHRONIC INABILITY TO PUT ITS HOUSE IN ORDER. THUS, BENEATH THE SURFACE QUIET THERE ARE SIGNS THAT THE MEMORANDUM IS CAUSING MANY ARGENTINES TO TURN TO PAINFUL SOUR-SEARCHING. IT MAY EVEN PROVOKE A FAR-REACHING DEBATE ON ARGENTINA'S FUTURE DOMESTIC AND FOREIGN POLICIES AND THE DIRECTIONS THEY SHOULD TAKE. IN SUM, UNLIKE PREVIOUS REACTIONS TO US-BRAZILIAN INITIATIVES, ARGENTINA'S RESPONSE THIS TIME PUTS THE FOCUS WHERE IT SHOULD BE--I.E. ON WHAT ARGENTINA MUST DO TO CORRECT ITS OWN ILLS, NOT RPT NOT ON ZENOPHOBIC CHARGES THAT THE COUNTRY'S ILLS ARE FOREIGN IN ORIGIN. END SUMMARY.

2. ARGENTINA SAW THE SIGNING OF THE MEMORANDUM OF UNDERSTANDING BY THE US AND BRAZIL AS THE RAISON D'ETRE OF THE SECY'S LATIN AMERICAN TRIP. THOUGH PUBLIC REACTION TO THE EVENT HAS BEEN MUTED BY THE TURBULENCE OF THE DOMESTIC
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SCENE, BOTH GOVT AND PRIVATE OBSERVERS AGREE THAT THE US-BRAZILIAN ACCORD DRAMATICALLY UNDERSCORES THE FAILURES OF THE DOMESTIC AND FOREIGN POLICIES ARGENTINA HAS FOLLOWED FOR OVER 30 YEARS. IN ONE STROKE, THE MEMORANDUM OF

UNDERSTANDING HAS RIPPED AWAY THE COMFORTING MYTHS ARGENTINES (NOT JUST PERONISTS) HAVE FOR YEARS EMPLOYED TO HIDE FROM THEMSELVES THE INTELLECTUAL AND POLITICAL BANKRUPTCY OF THE PRESENT SYSTEM. AS ONE FON MINISTRY OFFICIAL PUT IT RECENTLY TO SOME EMBOFFS, "WE ARE NOW FORCED BY OUR DOMESTIC FAILURES, WHICH IN TURN LEAD TO OUR FOREIGN POLICY FAILURES, TO RECOGNIZE THAT WE IN POWER, THE GENERATION WHICH REACHED ADULTHOOD AT THE END OF SECOND WORLD WAR, WILL BE JUDGED BY HISTORY AS THE 'FAILED' GENERATION. WE MUST NOW GIVE WAY TO NEW PEOPLE AND NEW IDEAS."

3. THE MEA CULPA TONE EXPRESSED ABOVE HAS BEEN THE LEITMOTIV OF COMMENTS BOTH PUBLIC AND PRIVATE SINCE SECY'S VISIT TO BRASILIA. BY ITSELF, THE MEMORANDUM OF UNDERSTANDING WOULD HAVE IN LESS SOMBER TIMES GENERATED THE USUAL CANT PHRASES ABOUT US-BRAZILIAN ATTEMPTS TO CONSTRUCT AN IMPERIAL CONDOMINIUM, ETC. HOWEVER, THE CONJUNCTION OF THE CURRENT AND PERHAPS MOST SEVERE INTERNAL CRISIS IN A GENERATION, COUPLED WITH WHAT THE SECY CALLED SIMPLE RECOGNITION THAT BRAZIL HAS ARRIVED AS AN IMPORTANT WORLD FORCE, HAS OVERWHELMED THE TRADITIONAL FACILE ARGUMENTS WHICH IN RECENT YEARS HAVE SERVED LESS TO EXPLAIN ARGENTINA'S FOREIGN AND DOMESTIC POLICIES THAN TO PROVIDE AN INTELLECTUAL SHIELD AGAINST THE HARSHNESS OF PRESENT-DAY REALITY.

4. PREDICTABLY, PERONIST CRITICS SUCH AS LA PRENSA SAW THE ACCORD AS EVIDENCE THAT BRAZIL HAD FOUND THE WAY TO A BRIGHTER DESTINY WHICH HAD ELUDED ARGENTINA BECAUSE OF PERON'S DISTORTIONS. EQUALLY PREDICTABLE IN TONE, IF SURPRISING FOR THEIR LACK OF VOLUME, WERE LEFTIST COMMENTS THAT THE IMPERIALISTS WERE AGAIN ON THE MOVE. MORE REPRESENTATIVE OF PUBLIC OPINION HAVE BEEN THE ARTICLES IN LA OPINION, A PAPER WHICH IN THE PAST HAS TAKEN A CENTER-LEFT, MILDLY THIRD WORLDISH VIEW OF US-LATIN AMERICAN RELATIONS. LA OPINION NOTES THAT WHAT-EVER CRITICISM ONE WISHES TO LEVEL AGAINST THE BRAZILIAN

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MODEL OF DEVELOPMENT, I.E. REPRESSIVENESS, MAL-DISTRIBUTION OF INCOME, ETC., ONE CANNOT ESCAPE THE FACT THAT FOR BRAZIL ITS MODEL HAS WORKED. THE COST IN HUMAN TERMS HAS BEEN HIGH, BUT AS THE PAPER NOTES, ALL HISTORIC MOVEMENTS, WHETHER TUE US INDUSTRIAL REVOLUTION, THE RUSSIAN REV, THE CHINESE REV, ETC., HAVE EXACTED A HIGH PRICE. WHAT ARGENTINA CANNOT LOSE SIGHT OF, ACCORDING TO THE ANALYSIS IN LA OPINION, IS THE FACT THAT THE COST BRAZIL IS INCURRING IS ALSO BRINGING BENEFITS. WHETHER OR NOT ARGENTINES AGREE WITH THE DIRECTIONS AND GOALS THE BRAZILIANS HAVE SET FOR THEMSELVES, IT MUST BE ADMITTED THAT THE BRAZILIANS ARE ON THEIR WAY TO ACCOMPLISHING WHAT THEY HAVE SET OUT TO DO. MORE IMPORTANTLY, LA OPINION, IN ITS

SERIES OF ANALYSIS, HAS REJECTED THE NOTION THAT THE US ACTED IN SIGNING THE MEMORANDUM OF UNDERSTANDING FROM IDEOLOGICAL MOTIVES. RATHER, THE PAPER ASSERTS, THE US, COGNIZANT OF THE NEW REALITY IN THE HEMISPHERE WHICH BRAZIL'S SUCCESSES HAVE CREATED, HAS LAID THE GROUNDWORK FOR A CONSTRUCTIVE, PRODUCTIVE AND ENDURING RELATIONSHIP WITH AN EMERGING WORLD POWER. TO HAVE EXPECTED THE US TO ACT OTHERWISE WOULD HAVE BEEN QUIXOTIC. IN PRIVATE CONVERSATION WITH EMBOFF, LA OPINION EDITOR ENRIQUE JARA ADDED THAT IN HIS VIEW AND THAT OF "MOST INTELLIGENT ARGENTINES" THE NEW YORK TIMES AND THE WASHINGTON POST'S CRITICISM OF THE MEMORANDUM OF UNDERSTANDING HAD SHOWN HOW POORLY THEY UNDERSTOOD THE ROLE US MUST PLAY IN HEMISPHERE. (FYI: JUAN DEONIS, LOCAL NEW YORK TIMES CORRESPONDENT, CHARACTERIZED HIS PAPER'S EDITORIAL ON SUBJECT AS BEING "SILLY".)

5. FRANCISCO PULIT, UNDERSEC FOR POL AFF AT THE FONMIN, LUNCHEDED WITH POL COUNS AND ANOTHER EMBOFF ON MAR 9 FOR EXPRESS PURPOSE OF REVIEWING MEMORANDUM OF UNDERSTANDING. HE BEGAN BY ACKNOWLEDGING THAT PUBLIC OPINION HAD PERCEIVED MEMORANDUM AS CONSEQUENCE OF ARGENTINE FAILURE IN BOTH DOMESTIC AND FOREIGN POLICY OBJECTIVES. HE ECHOED LINE SET FORTH BY JARA THAT SOUR-SEARCHING AMONG ARGENTINES FOR AN APPROPRIATE MODEL FOR ITS OWN DEVELOPMENT, RATHER THAN PETTY CRITICISMS OF ACCORD, WOULD ENSUE. ON MORE "OFFICIAL" LEVEL, HE NOTED THAT IN HIS VIEW US MAY HAVE MADE TACTICAL MISTAKE IN SIGNING MEMORANDUM IN SO PUBLIC CONFIDENTIAL

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A FASHION. ACCORDING TO PULIT, SOME MECHANISMS UNDOUBTEDLY HAD TO BE FOUND TO CHANNEL US-BRAZILIAN RELATIONS INTO MORE FORMALIZED STRICTURE, BUT THIS SHOULD HAVE BEEN DONE, HE MAINTAINED, WITHOUT THE FANFARE WHICH ATTENDED THE SIGNING OF THE MEMORANDUM. ARGENTINA, HE NOTED, MIGHT SOME DAY, AFTER ITS HOUSE IS PUT IN ORDER, WISH TO ESTABLISH SIMILAR MECHANISM TO CONSULT WITH US ON MATTERS OF MUTUAL INTEREST, BUT WOULD HAVE TO FIND SOME VERBAL FORMULATION TO AVOID BEING SEEN AS FOLLOWING IN BRAZIL'S FOOTSTEPS IN SIGNING MEMORANDUM OF UNDERSTANDING. HE SUGGESTED THAT THE WORKING GROUP CONCEPT WHICH HAS BEEN USED IN WASHINGTON AND BUENOS AIRES MIGHT PROVIDE A BASIS OF CONSULTATION WITHOUT RECEIVING THE PUBLICITY THE BRAZILIAN ACCORD HAD GENERATED.

6. PULIT CONTINUED THAT ARGENTINA HAD NOT MADE ANY STATEMENT WITH RESPECT TO THE MEMORANDUM. HE FELT THAT STATEMENTS SUCH AS THOSE MADE BY THE VENEZUELAN AND MEXICANS WOULD BE INTERPRETED (AND RIGHTLY SO) AS INDICATIONS OF CHILDISH JEALOUSY. IT WAS FOR THE US AND BRAZIL TO DEFINE THEIR RELATIONS, AND ARGENTINA HAD NO RIGHT TO COMMENT UPON THEM. AT SOME POINT, ARGENTINA

WOULD PROBABLY ISSUE A POSITION PAPER SETTING FORTH ITS VIEWS ON HOW MEMORANDUM HAD ALTERED THE STRUCTURE OF HEMISPHERIC RELATIONS, BUT HE DID NOT FORESEE THIS HAPPENING IN THE NEAR FUTURE. MOST IMMEDIATE IMPACT HE FORESAW WAS THAT BRAZIL WOULD BE SEEN AS THE US "SPOKESMAN" IN LATIN AMERICA. IN FUTURE LA FORA, ARGENTINA AND OTHER STATES WOULD HAVE TO ASSUME THAT THEIR "IN HOUSE" VIEWS WOULD BE FIT SUBJECT FOR BRAZIL TO RAISE IN BILATERAL CONTEXT WITH US. THIS COULD CREATE PROBLEMS FOR FUTURE US-LATIN AMERICAN DIALOGUE. THE FEARS EXPRESSED BY SOME THAT US HOPED TO CONVERT BRAZIL INTO LEADER SPOKESMAN FOR LATIN AMERICA WAS DISMISSED BY PULIT AS ILL-FOUNDED PARANOIA. WHAT COULD HAPPEN, HOWEVER, WOULD BE THAT MANY SPANISH-SPEAKING COUNTRIES WOULD ASPIRE TO SUB-SPOKESMAN ROLE WHICH IN TURN WOULD LEAD TO A "BALKANIZATION" OF THE DIALOGUE. THIS MIGHT APPEAR ATTRACTIVE TO THE US AT FIRST GLANCE, BUT OVER A LONGER TERM IT WOULD COMPLICATE OUR OUR RELATIONS WITH THE HEMISPHERE.

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7. FONMIN QUIJANO LARGELY CONFIRMED PULIT'S COMMENTS RE OFFICIAL REACTION IN A CONVERSATION WITH AMB HILL ON MARCH 11. HE HAD, HE SAID, ADVISED THE PRES AND CABINET NOT TO ISSUE PUBLIC STATEMENTS ON ACCORD. HE ADDED THAT HE PLANNED TO DRAFT LETTER TO SEC KISSINGER IN NEXT FEW DAYS SETTING FORTH HIS VIEWS ON THE AGREEMENT AND GIVING SECY THE ARGENTINE REACTION TO IT. HE ALSO ASKED AMB HILL TO RETURN TO FM IN NEXT FEW DAYS TO DISCUSS THE ACCORD IN GREATER DEPTH.

8. THE MILITARY, WHICH MAY SOON BE IN POWER, HAVE IN GENERAL GONE ALONG WITH THE VIEW THAT THE ACCORD IS LESS A THREAT TO ARGENTINA THAN A SYMBOL OF ITS DOMESTIC FAILURES. IF THEY TAKE POWER, THEY CAN BE EXPECTED TO TRY TO FIND SOME FORMULA FOR SEEKING SIMILAR STATUS FOR ARGENTINA. TO THE EXTENT THEY SEPARATE WHAT WILL BE THEIR IMMEDIATE NEED FOR US SUPPORT FOR A POST COUP GOVT FROM A DIALOGUE AIMED AT PUTTING OUR RELATIONS WITH ARGENTINA ON A MORE REALISTIC FOOTING, THE CHANCES ARE GOOD THAT WE CAN CARRY ON A PRODUCTIVE DIALOGUE. AS THE MILITARY AND KEY CIVILIAN SECTORS ARE COMING TO REALIZE, ARGENTINA'S FUTURE INTERSTS ARE LINKED TO THE DEVELOPED WORLD. EVEN BEFORE THE MEMORANDUM WAS SIGNED THERE WERE INDICATIONS THAT EVEN AMONG PERONISTS THE FADDISH IDENTIFICATION WITH THE THIRD WORLD WAS LOSING CURRENCY. OUR WON EFFORTS SHOULD NOW BE DIRECTED TOWARDS FORMULATING POLICIES WHICH WILL RE-INFORCE THE GROWING TENDENCY IN ARGENTINA TO LINK ITS DESTINY WITH THAT OF THE DC'S.

9. ARGENTINA IS TODAY FACING A GRAVE CRISIS AND IN

ADDITION TO THE GENERAL REALIZATION IT WILL NEED EXTERNAL
HELP (I.E. THE US). THERE SEEMS TO BE A GROWING
APPRECIATION THAT IT WILL ALSO REQUIRE NEW IDEAS AND
NEW POLICIES.
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